

COX'S BAZAR PANEL SURVEY: RAPID FOLLOW-UP ROUND 2

# IMPACTS OF COVID-19 ON FOOD SECURITY IN COX'S BAZAR: CONSUMPTION, COPING AND ASSISTANCE



This is the fourth in a series of briefs to disseminate findings from high-frequency rapid follow-ups on the CBPS sample, by the Poverty and Equity GP of the World Bank.



FOOD



COVID-19



COMMUNITIES

This brief summarizes findings from rapid welfare tracking surveys in Cox's Bazar. Two rounds of tracking surveys were implemented via phone interviews in 2020 to monitor the impacts of the COVID-19 crisis on labor markets, wages, and household coping strategies. The first round was conducted during the COVID-related lockdowns in April-May 2020. A second round was conducted from October-December 2020 (roughly 6 months after the government-imposed lockdowns). In this second tracking survey, 3,438 out of the 5,020 households originally surveyed in the baseline were successfully recontacted.

These rapid phone surveys are built on the Cox's Bazar Panel Survey (CBPS), which is a multi-topic survey that focused on socio-economic outcomes and access to services. The baseline CBPS survey, implemented in March-August 2019, was designed to be representative of the recently displaced Rohingya population (displaced after August 2017) in Cox's Bazar and the host community. Within the host community, the survey was further stratified into high exposure (HE, within 3 hours walking distance of a Rohingya camp) and low exposure (LE, more than 3 hours walking distance from a Rohingya camp) areas within the district. The overall sample size of the CBPS baseline was 5020 households, split roughly equally across Rohingya camps and host communities, and within the latter, equally among HE and LE areas.

This brief focuses on key welfare indicators of food security among host communities and the displaced Rohingya population in Cox's Bazar, consisting of consumption patterns, adoption of coping strategies and assistance received.

## KEY MESSAGES:

### 1.

**Low exposure hosts experienced more volatility in access to basic needs from lockdowns compared with high exposure hosts.**

Low exposure hosts reported higher volatility in access to basic needs on account of the lockdowns, which were more disruptive in urban areas. Between round 1 (during the early 2020 lockdowns) and round 2 (at the end of 2020), access to basic needs recovered by 30 percentage points in low exposure areas, from 51 percent of households reporting adequate access in R1 relative to 82 percent in R2. In high exposure areas, two-thirds of households reported having access to basic needs in R1, which increased to three-fourths in R2.

### 2.

**Despite lower reported volatility in access to basic needs, high exposure hosts remain more vulnerable than those in LE areas, with limited coping ability to tackle a future emergency expense.**

More than a third of high exposure households reported that they would have no way to cover a future emergency expense of 25,000 BDT, compared to about a tenth of LE households. LE households were more likely to report more self-sufficient means

i.e., with current earnings (40 percent vs. 16 percent in HE hosts) and/or own savings (16 percent vs. 8 percent in HE hosts).

### 3.

**Sustained consumption levels and declines in purchases and sales of food items provided as assistance suggest improvements in assistance delivery amidst restrictions, but signs of economic strain on the population persist.**

Declining rates of cash transactions (purchase and sale) for various food assistance items in combination with sustained consumption levels indicate significant improvements in humanitarian food assistance and access. However, widespread inability to cope with future emergency expenses underscore persistent economic vulnerability in camps due to stringent restrictions on work, further worsened by the COVID-19 operational contractions.



## ABOUT THE COX'S BAZAR PANEL SURVEY AND HIGH FREQUENCY ROUNDS.

Bangladesh's local economy started experiencing impacts of the COVID-19 crisis in early to mid-March 2020, with the first case being reported on 7 March. A full countrywide lockdown was in place from 26 March-28 May 2020. The first round of the CBPS high-frequency tracking surveys was conducted within the government lockdowns (between April-May 2020) and focused on capturing key trends in the labor market related to the economic contraction.

Findings from the 2<sup>nd</sup> round, conducted approximately 6 months following the lockdowns (October-December 2020) are summarized in this brief. Round 2 surveyed 1,092 households in high exposure upazilas (primarily Ukhaia-Teknaf),

### TIMELINES

<b>Baseline</b>	Mar-Aug	2019
<b>Round 1</b>	Apr-May	2020
<b>Round 2</b>	Oct-Dec	2020

1,088 households in low exposure upazilas (Cox's Bazar Sadar, Ramu, Pekua, Chakaria) and 1,662 households in Rohingya camps. Findings are presented as cross-sections across the three rounds: baseline, round 1 and round 2, but are also complemented with panel analysis across the rounds where feasible.

## HOST COMMUNITIES

AMONG HOSTS, RECOVERY IN BASIC NEEDS AFFORDABILITY AND ACCESSIBILITY HAS BEEN UNEVEN. MORE CENTRALLY LOCATED AND URBAN LOW EXPOSURE HOSTS FACED THE BRUNT OF THE COVID-19 INDUCED MARKET VOLATILITY WITH A SHARPER DROP AND SUBSEQUENT RECOVERY IN ACCESS TO BASIC FOODS.

Half of low exposure hosts reported being able to purchase basic food items at the time of R1 during the lockdowns, compared to two thirds of high exposure hosts. 6 months post-lockdowns, 84 percent of low exposure hosts report having been able to purchase basic foods, a ~ 30 percentage point recovery. For high exposure hosts, the recovery was smaller in scale, given their higher access in R1.

Panel transitions highlight similar patterns where low exposure hosts demonstrate more variation in ability to purchase basic foods between R1 and R2 than high exposure hosts. The stability observed in high exposure upazilas may be driven by two factors: (i) relatively more agrarian economy, which was less affected by the lockdown-induced market shocks<sup>1</sup>; (ii) higher proximity to the humanitarian response enabling faster emergency response delivery<sup>2</sup>.

Half of LE hosts (48 percent) reported no difficulties in purchasing basic food items at the market, compared to a third (33 percent) of HE hosts. Among those who were able to purchase basic needs in the week before the survey, the main difficulty reported in both HE and LE areas were the high prices of goods. Trends in prices of staples like rice and red lentils indicate that prices of basic foods in local markets may have indeed increased, not only compared to pre-COVID rates (assumed January 2020), but even more so compared to the same time last year.

Figure 1: Share of host households reporting having purchased basic needs in the 7 days prior to the survey

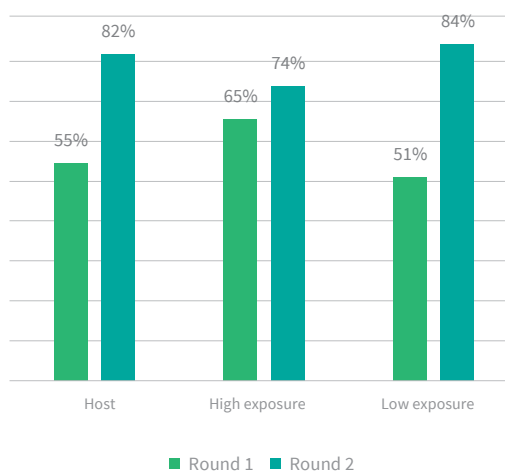
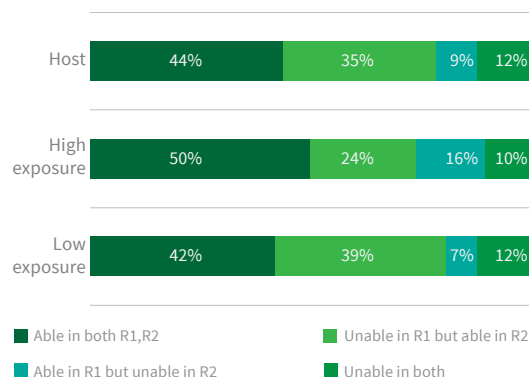


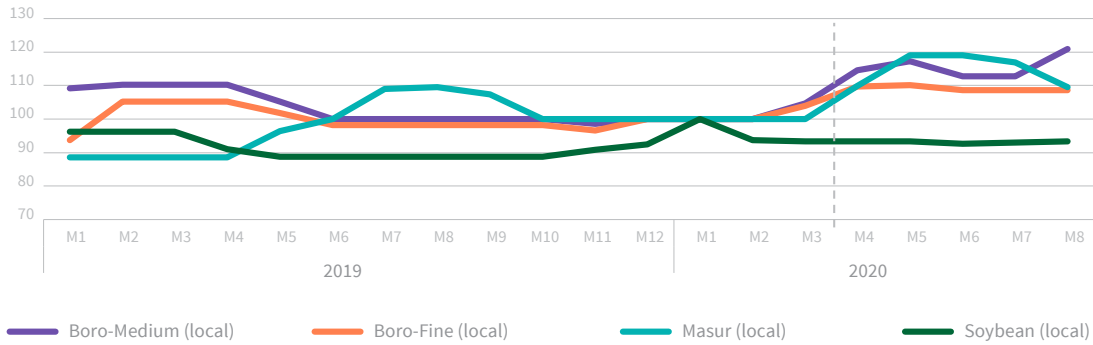
Figure 2: Panel findings on ability to purchase basic needs between Round 1 (Apr-May 2020) and Round 2 (Oct-Dec 2020)



<sup>1</sup> Agriculture has been found to be the least impacted sector across Bangladesh on account of COVID-induced lockdowns. Source: South Asia Region: COVID-19 Surveys, Poverty and Equity Global Practice, The World Bank.

<sup>2</sup> The World Food Programme’s (WFP) widescale COVID-emergency response in Cox’s Bazar “Special Support to Host Communities” cast a wide humanitarian safety net that supported the Government of Bangladesh in delivering basic needs assistance to hosts. Within this phased program, 13,000 households in Ukhiya and Teknaf upazilas were the first to receive cash transfers of BDT4,500 (USD53) in May 2020 (within the Round 1 survey duration). The program covered all 8 upazilas by July 2020. Source: Cox’s Bazar External Situation Report 38-42, World Food Programme.

Figure 3: Price Index Cox's Bazar Sadar from Jan 2019 to Aug 2020 (100 = Jan 2020)



Source: Food Planning and Monitoring Unit, Ministry of Food, GoB

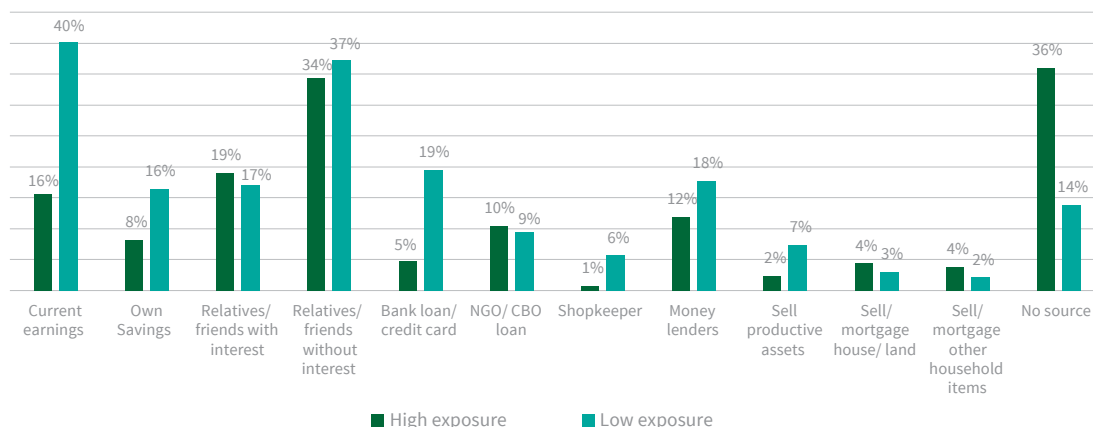
HOSTS IN UKHIA AND TEKNAF (HE) REMAIN MORE VULNERABLE THAN LE HOSTS, WITH LIMITED COPING ABILITY TO TACKLE A FUTURE EMERGENCY EXPENSE.

Pre-existing differences in welfare, occupational structure and human capital between HE and LE are hosts are reflected in differences in reported coping strategies in the face of an emergency expense. While reliance on social networks (friends and family) is widely reported, the more urbanized, better educated LE hosts are more likely to be able to use their own savings or formal credit sources. More than a third (36 percent) of high exposure households reported that they would have no way to cover a future emergency expense of 25,000 BDT, compared to only 14 percent of LE households saying the same<sup>3</sup>. Reli-

ance on social networks, loans from relatives and friends, continues to be a go-to credit source for groups across the district.

LE households were more likely to report being able to cover said expense without external support i.e., with current earnings (40 percent vs. 16 percent in HE hosts) and/or own savings (16 percent vs. 8 percent in HE hosts). LE households also demonstrated higher awareness of and appetite for formal credit sources, namely banks and moneylenders.

Figure 4: Sources reported by host households in coping with a future emergency expense of 25,000 BDT



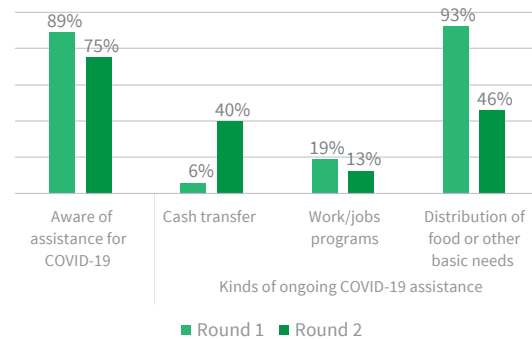
<sup>3</sup> If reporting anything other than “no source” of help, respondents could pick multiple sources.

PREVALENCE OF COVID-19 ASSISTANCE SEEMS TO HAVE DECREASED MARGINALLY, BUT COMPOSITION OF PROGRAMS IN RESPONSE TO THE CRISIS HAS SEEN SIGNIFICANT CHANGE.

Seventy five percent of households report continuing to benefit from COVID-19 related assistance programs. However, the composition of programs has changed significantly between R1 and R2: reports of distribution of food and other basic needs, which were possibly emergency responses during the lockdowns, have fallen in the post lockdown period. Instead, prevalence of cash-transfer based programs has seen a steep rise in these localities. Small businesses support across the district continues to be negligible (<3%) despite micro and small enterprises having been one of the most affected groups due to the lockdowns.

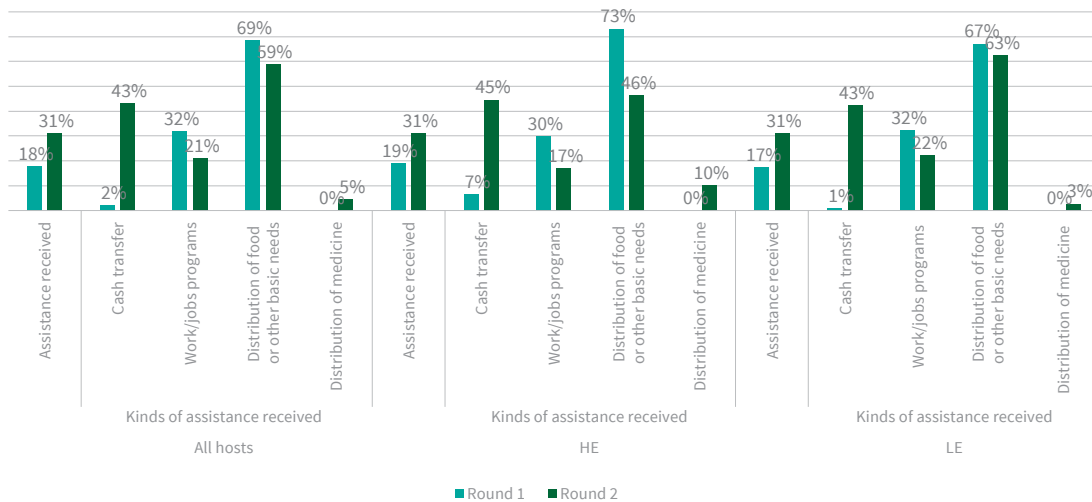
In the same vein, households reporting having received help post lockdowns (between June-December 2020) have close to doubled compared to the same between March-April 2020, right before and during the lockdowns, indicating significant efforts having gone into post-lockdown rehabilitation of vulnerable groups. Cash-trans-

Figure 5: Reported awareness of ongoing COVID-19 assistance in host communities in Round 1 vs Round 2



fer based programs saw a steep increase during this period. Distribution of food and basic needs was markedly scaled down in high exposure areas, potentially reflecting a shift in the modality of humanitarian assistance to host community households near camps, between June-December 2020 while the same was not true for low exposure areas.

Figure 6: Share of host households having received assistance in the 30 days prior to survey in Round 1 vs. Round 2



<sup>4</sup> The Business Pulse Survey on Impact of COVID-19 on MSMEs in Bangladesh, conducted by the International Finance Corporation, found that micro, small, and medium enterprises (MSMEs) were hit especially hard due to pre-existing vulnerabilities and their lower resilience with 83 percent of firms reporting making losses and 64 percent reporting being temporarily closed at the time of survey in June 2020.

## ROHINGYA COMMUNITIES

PROGRESS MADE IN ENSURING FOOD SECURITY ARE EVIDENT IN INCREASED PROTEIN CONSUMPTION, REDUCED SALES OF ASSISTANCE, AND LOWER RELIANCE ON PURCHASES FOR CONSUMPTION OF VEGETABLES AND SPICES.

The transition from in-kind food assistance to e-vouchers allowed beneficiaries to access a more varied food basket including eggs, spices, dried fish and sometimes more than one variety of pulses. While vegetable consumption has remained as high as previous levels, they are relatively less widely purchased now than in 2019, plausibly reflecting impacts of the fresh food corners scaling up<sup>5</sup>. Similarly for spices, purchase has gone down possibly due to inclusion of items such as chilis, onions and turmeric being available in e-voucher outlets<sup>6</sup>. Consumption of eggs have increased from 56 percent to 97 percent, while purchase has only increased from 24 percent to 34 percent, suggesting that access through the assistance basket has expanded widely.

**How has food access in camps changed since the baseline?** Since the baseline survey in Mar-Aug 2019, there have been significant changes in the camp ecosystem which are expected to drive impacts in food expenditure and consumption.

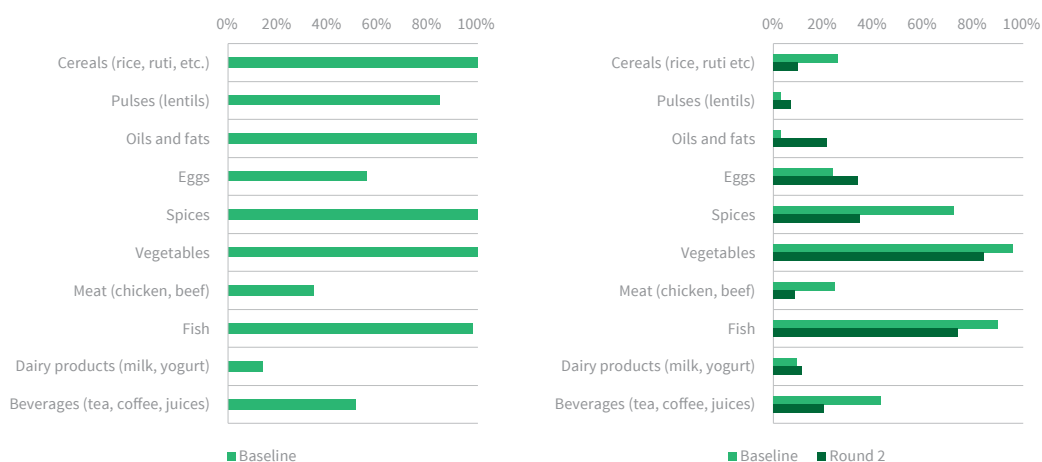
**Transition from in-kind to e-voucher food assistance:** Within the duration of the baseline survey (Q1-Q3 2019), 77 to 54 percent of the camp population was being provided in-kind food assistance, which entailed a fixed monthly entitlement of rice, lentils and oil depending on the household size. The transition to e-voucher allowed camp beneficiaries to access a variety of items (12 fixed, 8 flexible) using monthly entitlement top-ups on their cards. These items now include eggs, spices, dried fish etc.

**Introduction of fresh food corners:** The introduction of and ongoing scale up of fresh food corners to e-voucher outlets have increasingly provided the displaced access to a broader array of “fresh foods” i.e., vegetables and fruits, which they were previously found to purchase largely from markets in exchange for or by selling portions of their in-kind assistance.

**Rice capping - efforts to reduce sales of assistance:** Rice capping, piloted first in Teknaf in August 2019, in combination with e-voucher transition, had significant impact of the sale of assistance received, in particular the sale of rice. However, as a spillover, the sale of oil received as assistance had increased.

**Tightened regulations on cash transfer:** The government strengthened regulations on cash transfers in camps in September 2019, which in turn led to a harsh decrease in work opportunities for Rohingya households i.e., limited opportunities for additional household income.

Figure 7: Consumption (left) and purchase (right) patterns of host households for major food groups in baseline 2019 and Round 2 end-2020



<sup>5</sup> Fresh food corners were initially made available to targeted households, at the time covered by this survey, and were subsequently scaled up by early 2021.

<sup>6</sup> E-voucher outlets in camps offer a range of 20 items (12 fixed, 8 flexible) for beneficiaries to choose from using their food entitlement of USD 12/person/month. The commodity voucher implemented on account of COVID-19 from March to November 2020 contained a fixed basket of 10-12 items every month, broadly composed of rice, lentils, oil, turmeric, dried chili, sugar, salt, onion/garlic, eggs and dried fish.

In 2019, 53 percent of Rohingya households reported selling food items which has been received as assistance in the month prior to the survey. In 2020, only 14 percent of households reported the same, indicating that initiatives

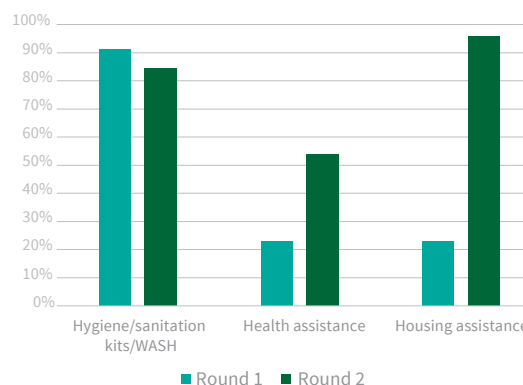
implemented in camps in order to reduce the rates of selling have evidently been successful, a finding also corroborated in further detail by the REVA III and IV from WFP.

## NON-FOOD ASSISTANCE TRENDS REFLECT RECOVERY OF SERVICES IN CAMPS POST-LOCKDOWNS.

Compared to levels during the COVID-19 operational suspensions, WASH assistance received in the month prior to survey has effectively remained the same but health and housing assistance have clearly recovered.

For health assistance in particular, there was clear recovery in accessibility of services with 96 percent of households reporting having sought treatment at health facility in Round 2 compared to 55 percent in Round 1 during the lockdowns.

**Figure 8:** Share of households reporting having received non-food assistance in the 30 days prior to survey



## DECREASED CONSUMPTION AND PURCHASE OF NON-ASSISTANCE ITEMS MAY BE REFLECTIVE OF ECONOMIC STRAIN ON ROHINGYA HOUSEHOLDS SINCE 2019.

Both consumption and purchase<sup>7</sup> of items which have never been provided as assistance (meat, poultry fresh fish, dairy products, beverages such as tea/coffee) are suggestive of the needs of Rohingya households for additional liquidity to increase the variety of food consumed. This additional liquidity or top-up purchasing power comes from cash generated by members of the household, either through volunteer work, cash

assistance or as has been widely seen in these camps, resorting to selling assistance. However, both consumption and purchase of most of these items have reduced since the baseline in 2019. This reduction in purchasing power could be due to strengthened regulations on cash for work programs in end-2019 and/or COVID-19 induced humanitarian operational contractions in camps in mid-2020.

<sup>7</sup> Consumption refers consumption of food regardless of source i.e. the consumption figures present statistics for all food obtained from assistance, cash purchases, gifts, own production, bartering etc. Purchase refers to cash purchase of food. It is important to keep in mind that the Rohingya have very low to no cash purchasing power owing to regulations on income generation in camps. Hence the trends in purchase are representative of a minor, albeit critical, portion of the food basket.



**FUTURE EMERGENCY COPING-MECHANISMS INDICATE A SEVERELY RESOURCE-CONSTRAINED POPULATION WITH HIGH DEPENDENCE ON SOCIAL NETWORKS AS SAFETY NETS.**

4 out of 10 Rohingya households reported having no way to cover a future emergency expense of 10,000 BDT, with the large majority reporting that they would rely on loans from relatives or friends (52 percent reporting either with or without interest). This high dependence on social networks for emergency safety nets is similar to what is observed in hosts, albeit with potentially harsher implications in this context: a much lower share of the Rohingya community reports self-sufficiency (current earnings or own savings) in being able to deal with said emergency (emergency (30 percent; compared to 40 percent in hosts), which stands to weaken the case for intra-community support in the event of a future emergency that affects large groups.

**Figure 9:** Methods reported by Rohingya households in coping with a future emergency expense of 10,000 BDT

